RECENT IMPORTANT DECISIONS.

BANKRUPTCY—DISCHARGE—WHEN APPLICATION TO BE FILED.—Adjudication in bankruptcy was on September 18, 1912. Application for discharge was filed October 6, 1913. Affidavits were also filed, claiming to make it clear that the applicant was unavoidably prevented from filing said application within twelve months subsequent to adjudication. *Held,* that whether unavoidable prevention was made out or not, the application was made in time. § 14, Bankruptcy Act 1898, creates three limitations of time, all subsequent to adjudication: the first, one month thereafter; the second, "the next twelve months" after the first; and the third, the next six months after the second. So that "the next twelve months" begin to run, not from the date of the adjudication, but from the expiration of one month thereafter. *In re Walters* (D. C. Mont. 1913), 209 Fed. 133.

The doctrine thus announced is against previous decisions on the question involved. The application should be filed after one month, and within twelve months subsequent to the adjudication unless it be shown that the petitioner was unavoidably prevented from so doing. *In re Harris & Algor,* 15 A. B. R. 705; *In re Wolff,* 100 Fed. 430; *In re Anderson,* 134 Fed. 319. Where a proper showing of unavoidable delay is made by the petitioner, the discretion of the judge is limited, in express terms, to the six months following the expiration of the year beginning with the date of the adjudication. *In re Fahy,* 116 Fed. 239; *In re Wagner* 139 Fed. 87. Under the provisions of § 31 relating to the computation of time, a bankrupt has a year and a day from adjudication in which to apply for his discharge, unless, for unavoidable delay, the court extends the time. *In re Holmes,* 165 Fed. 225, 21 A. B. R. 339.

BILLS AND NOTES—GAMING TRANSACTION—EQUITABLE ESTOPPEL.—Although the statute declares that every contract in consideration of money won or lost in any game or wager shall be void, the makers of a note given for the payment of a gambling debt are estopped to assert its illegality, where they asserted the validity of the note and thus induced plaintiff, who had no notice of the transaction, to purchase the note. *Holxbog et al.*. v. *Bakrow* (Ky. 1913), 160 S. W. 792.

The general rule is that a promissory note made absolutely void by statute is unenforceable in the hands if anyone, even though he be a bona fide holder. *Jenkins* v. *Jones,* 108 Ga. 556; *Alabama National Bank* v. *Parker & Co.,* 146 Ala. 513; *Wyatt* v. *Wallace,* 67 Ark. 575; *The Western National Bank of Pueblo* v. *State Bank,* 18 Colo. App. 128; *New* v. *Walker,* 108 Ind. 365; *Nunn* v. *Citizens Bank,* 107 Ky. 262; *Morris* v. *White,* 83 Mo. App. 194; *Swinney* v. *Edwards,* 8 Wyo. 54. The reason of this rule is that the contract has no existence whatever, and hence there is nothing on which suit can be maintained; the defence is an absolute one or a defence against the thing—the res. On this ground then it is held that equitable estoppel cannot arise

in favor of one of the original parties as against the other so as to give validity to the contract. *Colby* v. *Title Ins. Co.*, 160 Cal. 632, 35 L. R. A. (N. S.) 813; *Embry* v. *Jemison*, 131 U. S. 336; *Ayer* v. *Younker*, 10 Colo. App. 27; *Brown* v. *First National Bank*, 137 Ind. 655; *Standard* v. *Sampson*, 23 Okla. 13; *Henry* v. *State Bank*, 131 Ia. 97. There is also the further rule that equitable estoppel does not apply to make good an act which is void by law. *N. Y. etc. R. R.* v. *Schuler*, 38 Barb. 534; *Battersby* v. *Odell*, 23 U. C. Q. B. 482; *Friedlander* v. *N. Y. Plate Glass Co.*, 38 N. Y. App., Div. 146. But in spite of the holdings that a note based on a gambling transaction is absolutely void (even in the hands of a bona fide holder), that there can be no equitable estoppel of the maker in favor of an original party or one standing in his stead, and that equitable estoppel does not apply to make good an act void by law, the courts seem uniformly to hold with the instant case that the maker may be estopped to assert the illegality of the consideration of the note against one who took without notice of the transaction and in reliance on the maker's word that it was a good and valid contract. *Fosdick* v. *Meyers*, 81 Ill. 544; *Hurburt & Sons* v. *Straub*, 54 W. Va. 303; and cases cited in principal case. But this doctrine aids that which the statute is intended to prevent, i. e., the enforcement of contracts founded on gambling transactions. It would seem that the evil can be remedied, not alone by making void the contract, but by preventing its circulation, in other words withholding the application of the doctrine of equitable estoppel even in favor of bona fide holders.

CARRIERS—RIGHT TO RECOVER FOR BAGGAGE NOT ACCOMPANIED BY HOLDER OF PASSAGE TICKET.—The plaintiff purchased a ticket from one point to another over the defendant carrier's line and checked his baggage thereon. The plaintiff did not accompany the baggage on the same train and in fact did not make the trip at all. In an action to recover for the loss of the baggage it was *held* that it is not necessary, in order to create the relation of carrier and passenger with reference to the baggage so as to render the carrier liable as such for the loss, that the passenger should travel by the same train as the baggage or at all. *Alabama Gt. Southern R. Co.* v. *Knox*, (Ala. 1913), 63 So. 538.

This question was previously considered in the MICHIGAN LAW REVIEW in a note to the case of *Larned* v. *Central R. Co.* (1911), 81 N. J. L. 571; 9 MICH. LAW REV. 707. The *Larned* case is entirely in harmony with the principal case and the reasoning invoked seems to be peculiarly applicable to modern transportation methods. However, these decisions are contrary to the older doctrine and the opinion of eminent text writers that baggage "implies a passenger who intends to go upon a train with his baggage, and receive it upon the arrival of the train at the end of the journey." *The Elvira Harbeck*, 2 Blatchf. 336; *Marshall* v. *Pontiac O. & N. R. Co.*, 126 Mich. 45; and note thereto in 55 L. R. A. 650; *Wood* v. *Maine C. R. Co.*, 98 Me. 98; *Carlisle* v. *Grand Trunk R. Co.*, 25 Ont. L. Rep. 372; *Hicks* v. *Wabash R. Co.*, 131 Ia. 295; *Kindley* v. *Seaboard Air Line R. Co.*, 151 N. C. 207; *Bradley* v. *Chicago & N. W. R. Co.*, 147 Ill. App. 397; HUTCHINSON, CAR-